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* **IN THE HIGH COURT OF DELHI AT NEW DELHI**

\+ O.M.P. (COMM) 206/2026 & I.A. Nos. 11513/2026, 11514/2026, 11515/2026, 11516/2026, 11517/2026 & 11518/2026

INDIAN RAILWAY CATERING AND TOURISM CORPORATION LIMITED .....Petitioner

Through: Mr. Saurav Agarwal, Ms. Manisha Singh, Mr. Anshuman Choudary, Mr. Kanav Khatana and Ms. Jyoti Singh, Advs.
M: 9167255410

versus

STANDARD PLATTER CATERING AND HOSPITALITY PRIVATE LIMITED. .....Respondent

Through: Mr. Jitender Mehta and Mr. Lalit Kumar, Advs.
M: 9871343596

CORAM:
HON'BLE MS. JUSTICE MINI PUSHKARNA

O R D E R

% 27.04.2026

I.A. 11516/2026 & I.A. 11517/2026 (For Exemptions)

1. Exemptions allowed, subject to all just exceptions.

2. Applications stand disposed of.

I.A. 11514/2026 & I.A. 11515/2026 (Seeking condonation of delay in filing and re-filing the petition)

3. The present applications have been filed on behalf of the petitioner, seeking condonation of delay of one (1) day in filing the present petition and of twenty-one (21) days in re-filing the same.

4. Issue notice. Notice is accepted by learned counsel appearing for the respondent.

5. Let reply be filed, within a period of four weeks, from today.

6. Rejoinder thereto, if any, be filed within a period of two weeks, thereafter.

I.A. 11518/2026 (Application For Calling of Arbitral Record)

7. The present application has been filed seeking calling of the Arbitral Record.

8. Accordingly, liberty is granted to the petitioner to procure the Arbitral Record and file a digitized copy of the same.

9. Noting the aforesaid, the present application stands disposed of.

O.M.P. (COMM) 206/2026 & I.A. 11513/2026

10. The present petition has been filed under Section 34 of the Arbitration and Conciliation Act, 1996 ("Arbitration Act"), seeking setting aside of the Arbitral Award dated 04th April, 2025, passed by the learned Sole Arbitrator.

11. Learned counsel appearing for the petitioner draws the attention of this Court to Clause 8.3 of the Master License Agreement between the parties, which is reproduced as under:

"xxx xxx xxx

8.3	In the case of any revision in catering tariff, the Licensee shall be allowed to sell food/meals at the revised rates to the passengers. In this event, the license fee payable to Railway shall be varied based on the re-assessment of sale, from the date of revision of catering tariff.

xxx xxx xxx"

12. By referring to the aforesaid, learned counsel appearing for the petitioner submits that in case of revision in the catering tariff, the licensee shall be allowed to sell food/meals at the revised rates to the passengers. However, the license fee payable to the Railways shall be varied based on

the re-assessment of sale, from the date of revision of catering tariff.

13. Thus, it is submitted that the contract itself provides for revision of the catering tariff and on the said basis the license fee payable to the Railways shall also be varied accordingly.

14. Learned counsel appearing for the petitioner submits that the tariff was revised in the year 2019. However, in view of COVID-19, the catering services were suspended and were resumed in the year 2022, when the respondent started taking the higher tariff. Further, on the basis of the same, petitioner also revised the license fee.

15. Learned counsel appearing for the petitioner draws the attention of this Court to paragraphs 15.15 and 15.16 of the impugned Award, which read as under:

"xxx xxx xxx

15.15 Additionally, the unilateral imposition of revised license fees places an unexpected, unkown and undue financial burden on the Claimant. The Tribunal acknowledges that the demand for revised license fees was raised only after tariff revisions under CC 60/2019, without engaging the Claimant in prior consultation. In fact, the Formula Letter bearing No. CC-60/2019 was received only on 09.08.2023 and will not be applicable retrospectively. Such an approach is procedurally flawed and contradicts the fundamental principles of fairness and predictability in financial obligations.

15.16 The Tribunal finds that the retrospective imposition of license fees by Respondent No. 1 is legally unsustainable due to the absence of explicit contractual authority. The reassessment of fees must be prospective in nature and based on actual sales figures, and not otherwise.

xxx xxx xxx"

16. By referring to the aforesaid, learned counsel appearing for the petitioner submits that despite the contract providing for revision of the fee based on the actual sales figure, the learned Arbitrator has wrongly held that

there could be no retrospective imposition of license fee by the respondent.

17. He, thus, submits that the finding of the learned Arbitrator is against the contractual provisions.

18. He further draws the attention of this Court to paragraphs 15.55 to 15.57 of the Award passed by the learned Arbitrator, which read as under:

"xxx xxx xxx

15.55 This clause leaves no manner of doubt that hitherto role of Zonal Railways in Sales Reassessment is no more relevant and post Catering Policy 2017, the Respondent No.1 is the only competent authority to reassess volume of sales. Nevertheless, In addition, specific mention needs to be made to Clauses 3.1 and 20.1 of the Catering Policy 2017 which give exclusive right to Respondent No.1 to manage catering services including determination of revised license fee. The Tri-partite agreement wherein the Claimant was also a signatory also very well recognizes authority of Respondent No.1 to determine and collect revised license fee which implies the power to formulate the re-assessment methodology. Catering Policy 2017 and the Tripartite Agreement do not specify any particular methodology for reassessing license fees, making the demand legally questionable.

15.56 However, it cannot be lost sight of that though developing formulae for reassessment of sales is within the competence of Respondent No.1 but this power is not absolute and by no means, despotic or autocratic. Formulation of reassessment methods is one thing whereas validity and legality thereof is yet another. Transparency and fairness of the formulae and calculations for determination of the revised license fee need to have rational basis *sans* arbitrariness and unilaterality.

15.57 Undoubtedly, Clause 8.3 of the MLAs postulates that any revision in the license fee must be based on reassessment of sale but counsel for Respondent No. 1 has not been able to defend actions of Respondent No.1 because this clause does not prescribe or authorize any specific formula for such reassessment.

xxx xxx xxx"

19. By referring to the aforesaid, learned counsel appearing for the petitioner submits that the Arbitrator has categorically recognized the fact that the petitioner herein has the authority to re-assess volume of the sales.

20. He further draws the attention of this Court to the findings given by

the learned Arbitrator in paragraphs 15.91 to 15.93, which are reproduced as under:

"xxx xxx xxx

15.91 There is no doubt that after Catering Policy 2017, when catering charges had been revised and implemented, the license fee was also to be revised on reassessment of sale turnovers. But unfortunately, the Respondent No.1 neither prescribed any fair and transparent procedure for reassessment of sale turnovers in the Catering Policy 2017 nor made such calculations by participatively associating the stakeholders as is the Claimant.

15.92 BY now, it is clear that though the power vests with Respondent No.1, yet the said power in not unfettered. Those, who are affected by any such exercise of authority must have been involved participatively before taking the decision of reassessment of the license fee earlier to ultimate conclusion of raising of demand. Any such exercise of power arbitrarily and unilaterally is bad in law.

15.93 Furthermore, the Claimant was not consulted before the new formulae of reassessment of sale were implemented, violating principles of natural justice. Any reassessment of the license fee must be based on transparent and authorized procedures, which was not followed in this case.

xxx xxx xxx"

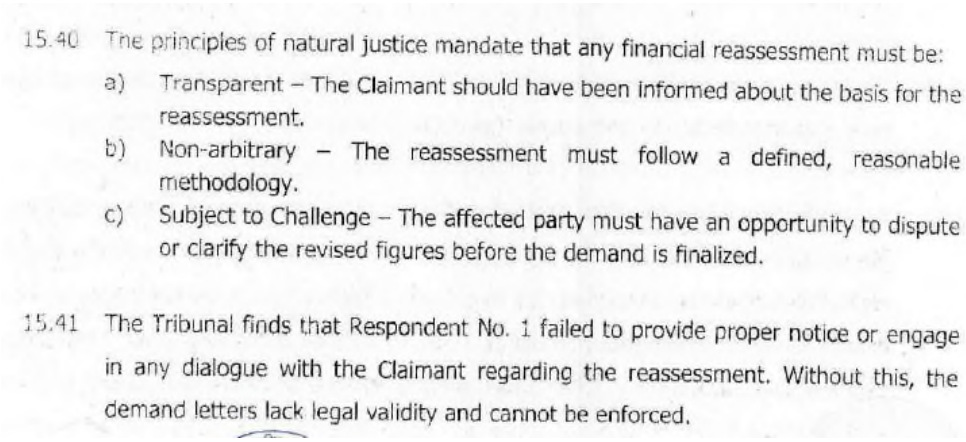
21. By referring to the aforesaid, learned counsel appearing for the petitioner submits that the findings of the learned Arbitrator are not only in violation of the contractual covenants between the parties, but also with the finding of the learned Arbitrator in the previous paragraph of the Award, i.e., paragraph 15.55.

22. Learned counsel appearing for the petitioner further submits that the learned Arbitrator has held that the entire policy of the petitioner is bad in law. Thus, the whole policy of the petitioner has been put under jeopardy.

23. *Per contra*, learned counsel appearing for the respondent, who appears on advance service, relies upon paragraphs 15.40 and 15.41 of the

Award, which read as under:

"xxx xxx xxx



15.40 The principles of natural justice mandate that any financial reassessment must be:

a) Transparent – The Claimant should have been informed about the basis for the reassessment.

b) Non-arbitrary – The reassessment must follow a defined, reasonable methodology.

c) Subject to Challenge – The affected party must have an opportunity to dispute or clarify the revised figures before the demand is finalized.

15.41 The Tribunal finds that Respondent No. 1 failed to provide proper notice or engage in any dialogue with the Claimant regarding the reassessment. Without this, the demand letters lack legal validity and cannot be enforced.

xxx xxx xxx"

24. By referring to the aforesaid, learned counsel appearing for the respondent submits that there is a categorical finding that the process, as resorted to by the petitioner regarding the re-assessment, was neither transparent, nor was a reasonable methodology followed for the same. He, thus, submits that the Award passed by the learned Arbitrator is proper.

25. The matter requires consideration.

26. Issue notice. Notice is accepted by learned counsel appearing for the respondent.

27. Let reply be filed within a period of four weeks, from today.

28. Rejoinder thereto, if any, be filed within two weeks, thereafter.

29. Considering the submissions made before this Court, this Court is of the considered view that a *prima facie* case has been made out by the petitioner. Further, irreparable harm shall be caused to the petitioner if interim relief is not provided. Additionally, balance of convenience also lies in favour of the petitioner.

30. Accordingly, it is directed that till the next date of hearing, the finding

in the Award pertaining to the policy of the petitioner regarding revision of the license fee in view of revision in the tariff, shall remain stayed.

31. However, considering the submissions made before this Court, the respondent is not directed, for the time being, to deposit any amounts with the petitioner.

32. List on 18th September, 2026.

MINI PUSHKARNA, J

APRIL 27, 2026/KR